



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
April 23, 2014

Board Members Present

Mark Leonard, Chair	Stacie Euken
Lyle Borg, Vice Chair	Annette Townsley

Board Members Absent

John Fredrickson

Staff Members Present

Lori Beary, Community Development Director	Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO	Mark Thompson, General Counsel

Others Present

None

Call to Order

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on April 23, 2014 at 9:31 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, and Townsley. Director Fredrickson was absent.

Review of Minutes of March 26, 2014 Board Meeting

Mr. Leonard presented the minutes of the March 26, 2014 IADD Board Meeting. It was noted that the name of Beginning Farmer Korey Krieg was misspelled.

MOTION

On a motion by Ms. Townsley and a second by Ms. Euken the Board unanimously approved the minutes of the March 26, 2014 IADD Board meeting as corrected.

Review of March 2014 financial statement

Tim Jansen presented the March 2014 financials. He stated that the year-to-date operating income is \$310,659, year-to-date operating expense is \$295,601 and year-to-date net operating income is \$15,058. Mr. Jansen discussed the specifics of the income and expenses to date. There was

discussion regarding how employee expenses were calculated. Each IFA employee is allocated a portion of the costs for the facility, utilities, postage, office supplies, etc.

MOTION

On a motion by Mr. Borg and a second by Ms. Townsley, the Board unanimously approved the March 2014 financial statement as presented.

FY15 IADD Budget

Mr. Jansen presented the draft FY15 IADD Budget. The budget assumes increases in fees for all IADD programs because of the marketing effort being done. It assumes one interim loan for FY15. Operating expenses will increase due to Lori Beary and Tim Jansen charging a portion of their time to IADD and an increase in the cost for travel and education. The FY15 budget is expected to basically break even. Mr. Jansen explained that the Board will have a month to review the budget before being expected to vote on it.

The Board requested additional information showing the difference in income and expenses now and when IADD was a separate agency. Mr. Jansen agreed to send that to all Board members.

BFLP Amending Resolutions

Tammy Nebola presented the following resolutions to adjust terms and conditions on closed BFLP projects:

Resolution 4230M – Leland and Jana Kaster – American State Bank in Hull is the lender. The amendment will lower the interest rate from 5.875% to 4.50% until March 15, 2019 at which time the rate will adjust to the original index of 80% of the announced prime rate of American State Bank base rate. The resolution will also decrease the rate floor from 5.875% to 4.50%. All other loan terms will remain the same.

Resolution 4453M – Brian and Cassia Boender – Bank Iowa in Oskaloosa is the lender. The amendment will lower the interest rate from 5.06% to 4.22% until September 1, 2019 at which time the rate will adjust to the original index of 100% of the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of five years plus 2.63%. All other loan terms will remain the same.

Resolution 4459M – Joshua and Kristi Crist – Community State Bank in Tipton is the lender. The amendment will lower the interest rate from 5.85% to 4.50% until February 10, 2019 at which time the rate will adjust to the original index of 180% above the Wall Street Journal announced prime rate. The amendment will also decrease the rate floor from 5% to 4.50%. All other loan terms will remain the same.

Resolution 4730M – Cameron and Tracy Schulte – Farmers and Merchants Savings Bank in Manchester will be the lender. The amendment will change the bondholder from Community Savings Bank in Edgewood to Farmers and Merchants Savings Bank in Manchester. It will also lower the interest rate from 3.95% to 3.75% until March 11, 2019 at which time the rate will adjust to the index of .5% above the New York Prime Rate adjustable every five years. It will change the payments from semi-annual to annual and change the payment date to March 11 beginning March 11, 2015, which will change the maturity from July 1, 2042 to March 11, 2042. The payment amount will be \$11,472. The amendment will also remove the rate ceiling, increase the rate floor from 3% to 3.75% and change the late payment charge from 5% to 1.50% if the payment is more than 10 days late.

The Board discussed the potential long-term impact on the beginning farmer with the rate ceiling removed.

MOTION

On a motion by Ms. Euken and a second by Mr. Borg, the Board unanimously accepted the BFLP amending resolutions.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following application for a Beginning Farmer loan:

AG 14-015 – Shawn and Sara Van Wyk – Beginning farmer loan of \$331,513 to purchase approximately 251 acres of agricultural land in Poweshiek and Jasper Counties. The loan will have a variable interest rate of 4.95% and a loan length of 30 years. The index will be 1.75% above the 10-year U.S. Treasury rate. The rate ceiling will be 11% and the rate floor will be 4.95%. The lender is First State Bank in Lynnville, IA.

On the application he stated he owned 8 acres but the land is in a trust. He will inherit the land when his grandmother dies but he does not own it now.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, the Board unanimously recommended approval of Beginning Farmer Loan Application AG 14-015.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on April 23, 2014 at 10:20 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:22 am.

MOTION

On a motion by Ms. Euken and seconded by Ms. Townsley, the Board unanimously recommended approval of the BFLP Bond documents.

Beginning Farmer Tax Credit Applications

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. Steve explained the changes to the tax credit summary sheet and the tax credit worksheets. There were 17 new BFTC applications for an estimated tax credit amount of \$134,176. With tax credits approved previously and these tax credits, \$4,239,539 in tax credits have been allocated so far in 2014.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1481, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1496, 1497, 1498 and 1499.

A question was raised regarding who pays the expenses for the crop when it was a crop share lease.

Marketing Update

Included in the Board packet was the IADD marketing calendar. Steve Ferguson discussed the workshops being set up in May and June in partnership with the Iowa Society of Certified Public Accountants, Iowa State Bar Association, Iowa Farm Managers and Rural Appraisers, and others. Press releases were sent for the workshops, information was emailed to all IADD contacts and an article will be in both the ISCPA and Iowa Bar newsletters.

Other Business

The original date of the August Board meeting to be held in Atlantic was August 27, 2014. That date falls at the same time as the Farm Progress Show. Staff will check availability of meeting locations and set a new meeting date.

A subcommittee to review a LPP application prior to the next Board meeting was created to include Mark Leonard and Stacie Euken. Tammy Nebola will send the application information and coordinate with the subcommittee.

Information was also sent to all IADD Board members about the next Joint IFA Board workshop for members of all IFA Boards. Concern and disappointment was raised about scheduling the meeting on the date of the primary election.

The date of the NCOSAFP national conference is September 28 – October 1 in Maryland. The date of the NAARC national conference is September 13-17 in Savannah, Georgia. Chair Leonard stated he is interested in attending the NAARC conference.

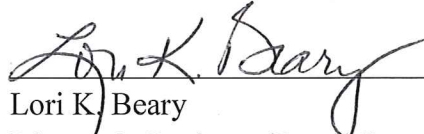
The next IADD Board meeting will be on Wednesday, May 28, 2014 at 8:30 a.m. via conference call.

Adjournment

There being no further business, on a motion by Mr. Borg and a second by Ms. Euken, the April 23, 2014 meeting of the IADD Board of Directors adjourned at 10:58am.

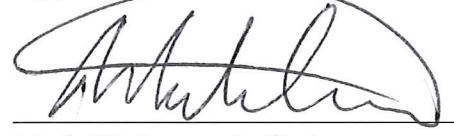
Dated this 28th day of May 2014.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair
IADD Board